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AN ACT

RELATING TO THE STATE FISC; TRANSFERRING FUNDS; AUTHORIZING  
EMERGENCY EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE  
TAX BONDS; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

~~Section 1. WATER AND WASTEWATER PROJECTS--TRANSFERRING  
MONEY FROM THE WATER AND WASTEWATER PROJECT GRANT FUND TO THE  
GENERAL FUND--AUTHORIZING EXPENDITURES FOR EMERGENCY  
PROJECTS.--~~

~~A. Twelve million dollars (\$12,000,000) is  
transferred from the water and wastewater project grant fund  
to the general fund.~~

~~B. The New Mexico finance authority is authorized  
to expend three million dollars (\$3,000,000) of the  
appropriation to the water and wastewater project grant fund  
that was provided in Laws 2002, Chapter 110, Section 48 for  
emergency public projects as provided in Subsection E of  
Section 6-21-6.3 NMSA 1978.~~

~~Section 2. WATER PROJECTS--APPROPRIATION.--Ten million  
dollars (\$10,000,000) is appropriated from the general fund  
to the water project fund for expenditure in fiscal year 2004  
and subsequent fiscal years to carry out the provisions of  
the Water Project Finance Act. Any unexpended or  
unencumbered balance remaining at the end of a fiscal year~~

1 ~~shall not revert to the general fund.~~

2 Section 3. SEVERANCE TAX BONDS--AUTHORIZATIONS--  
3 APPROPRIATION OF PROCEEDS--LIMITATION.--

4 A. The state board of finance may issue and sell  
5 severance tax bonds in compliance with the Severance Tax  
6 Bonding Act in an amount not to exceed the total of the  
7 amounts authorized for purposes specified in this section.  
8 The state board of finance shall schedule the issuance and  
9 sale of the bonds in the most expeditious and economical  
10 manner possible upon a finding by the board that the project  
11 has been developed sufficiently to justify the issuance and  
12 that the project can proceed to contract within a reasonable  
13 time. The state board of finance shall further take the  
14 appropriate steps necessary to comply with the Internal  
15 Revenue Code of 1986, as amended. Proceeds from the sale of  
16 the bonds are appropriated for the purposes specified in this  
17 section.

18 B. The department of public safety shall certify  
19 to the state board of finance when the money from the  
20 proceeds of the severance tax bonds is needed. If the  
21 department has not certified the need for the issuance of the  
22 bonds for a particular project by the end of fiscal year  
23 2004, the authorization for that project is void.

24 C. Before the department of public safety may  
25 certify for the issuance of severance tax bonds, the project

1 must be developed sufficiently so that the department  
2 reasonably expects to incur within six months after the bonds  
3 have been issued a substantial binding obligation to a third  
4 party to expend the appropriation.

5 D. The unexpended balance from the proceeds of  
6 severance tax bonds issued for a project specified in this  
7 section shall revert to the severance tax bonding fund at the  
8 end of the fiscal year following the fiscal year in which the  
9 severance tax bonds were issued for the purchase after  
10 reserving for unpaid costs and expenses covered by binding  
11 written obligations to third parties. Money from severance  
12 tax bond proceeds provided pursuant to this section shall not  
13 be used to pay indirect project costs. For the purpose of  
14 this subsection, "unexpended balance" means the remainder of  
15 an appropriation after costs and expenses recognized in  
16 accordance with generally accepted accounting principles have  
17 been paid.

18 E. Upon certification by the department of public  
19 safety that the need exists for the issuance of severance tax  
20 bonds, two million six hundred thousand dollars (\$2,600,000)  
21 is appropriated to the department of public safety to  
22 purchase and install state police radios.

23 F. Upon certification by the department of public  
24 safety that the need exists for the issuance of severance tax  
25 bonds, one million dollars (\$1,000,000) is appropriated to

1 the department of public safety to purchase and equip state  
2 police motor vehicles.

3 Section 4. REPEAL.--Laws 2002, Chapter 110, Sections 47  
4 and 48 are repealed.

5 Section 5. EMERGENCY.--It is necessary for the public  
6 peace, health and safety that this act take effect  
7 immediately. \_\_\_\_\_

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